

EXHIBIT

200

1
2 UNITED STATES DISTRICT COURT
3 FOR THE SOUTHERN DISTRICT OF NEW YORK

4 In re: :
5 : Master File No.
6 Global Brokerage, Inc. : 1:17-cv-00916-RA
7 F/k/a FXCM, Inc. :
8 Securities Litigation :
9 ----- :

10 ** CONFIDENTIAL **

11 REMOTE VIDEO DEPOSITION OF:
12 JOHN E. BARRON, CPA
13 MONDAY, JUNE 7, 2021
14
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17
18
19
20
21
22
23

24 REPORTED BY:
25 SILVIA P. WAGE, CCR, CRR, RPR

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. Yes.
 3 Q. Okay. Do you recall when you began
 4 drafting your report?
 5 A. I don't recall the exact date. It
 6 would have been -- it would have been sometime in
 7 March or -- probably sometime in March.
 8 Q. Okay. Did you initiate the drafting
 9 of the report?
 10 A. Yes.
 11 Q. Okay. And did anyone assist you in
 12 drafting the report?
 13 A. I had an associate who read drafts of
 14 the report.
 15 Q. Okay. What's that associate's name?
 16 A. Arcady Zaydenverg.
 17 Q. Maybe for the Court Reporter, if you
 18 could spell that.
 19 A. Arcady is A-R-C-A-D-Y and Zaydenverg
 20 is Z-A-Y-D-E-N-V-E-R-G.
 21 Q. I apologize; is that a male or
 22 female?
 23 A. Male.
 24 Q. Okay. And did he -- and he is, I
 25 guess, employed by Arcadia Consultants?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. Yes.
 3 Q. Okay. Did anyone else assist you in
 4 drafting the report?
 5 A. No.
 6 Q. Did you get any assistance from
 7 Counsel for Plaintiffs?
 8 A. No.
 9 Q. The section, "Overview and
 10 Background," in your report --
 11 A. Okay, let me scroll up to that; yes.
 12 Q. Okay. Did you draft that section in
 13 its entirety?
 14 A. Yes.
 15 Q. Did you get any comments from Counsel
 16 on that section?
 17 A. Not that I recall, no. I mean, I
 18 drafted the whole report.
 19 Q. Okay. And Exhibit B to your report
 20 is the documents you considered, correct?
 21 A. That's correct.
 22 Q. Who chose the documents that you
 23 received?
 24 A. Well, I did with -- along with
 25 Arcady.

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Q. And how do you know what documents
 3 existed?
 4 A. I'm sorry. Could you repeat that
 5 please?
 6 Q. Yeah. How did you know what
 7 documents existed for review?
 8 A. Well, we knew that based on
 9 discussions with Counsel.
 10 Q. Okay. Now, you list certain E&Y
 11 documents that were produced by E&Y that you
 12 considered, correct?
 13 A. We reviewed the entirety E&Y
 14 production.
 15 Q. Okay. So that's what I wanted to get
 16 clarity on.
 17 So you reviewed the entire
 18 production, but you're just identifying certain
 19 ones that you considered?
 20 A. Well, as far as "considered," I would
 21 view that as everything that was in their
 22 production.
 23 Q. So it's your understanding that
 24 you're citing to the entirety of E&Y production?
 25 A. We did review everything that was in

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 the E&Y production, yes.
 3 Q. Okay. So you believe that what you
 4 cite in your report is the entire E&Y production?
 5 A. No, not that I cited in the report.
 6 I'm saying considered.
 7 Q. Not cited but identified as documents
 8 that you considered.
 9 A. I --
 10 Q. You say EY-GBI-WP 1 through 2414,
 11 right?
 12 A. That's --
 13 Q. Is it your understanding that's the
 14 entire E&Y production?
 15 A. Yes.
 16 Q. Okay. Who told you that?
 17 A. Counsel.
 18 Q. Okay. Now, you're a licensed CPA,
 19 correct?
 20 A. Yes.
 21 Q. Okay. And, according to your CV,
 22 which is Exhibit A to your report, you were an
 23 audit partner at Deloitte from 1990 to 2003,
 24 correct?
 25 A. That's correct.

5 (Pages 14 - 17)

<p style="text-align: right;">Page 34</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Weil is W-E-I-L.</p> <p>3 Q. Let's talk about some of the</p> <p>4 documents you say you considered.</p> <p>5 You state in your report that you</p> <p>6 reviewed and considered the January 14, 2021</p> <p>7 deposition transcript and the deposition exhibits</p> <p>8 of Robert Lande, correct?</p> <p>9 A. I'm sorry. What was the first name?</p> <p>10 Q. Robert Lande, the CFO --</p> <p>11 A. Oh, yes, yes.</p> <p>12 Q. -- of FXCM, right?</p> <p>13 A. Yes.</p> <p>14 MR. DAHAN: Alright. I want to</p> <p>15 introduce what we'll mark now as Exhibit 3, the</p> <p>16 deposition transcript in this case of Mr. Lande.</p> <p>17 A. Okay. I'm going to do my best to get</p> <p>18 back there.</p> <p>19 Q. Yeah, let me know when you see that.</p> <p>20 A. Well, I've clicked on marked</p> <p>21 exhibits, but No. 3 hasn't come up yet.</p> <p>22 Q. Yeah, sometimes it takes a minute or</p> <p>23 so. So no problem.</p> <p>24 A. No, at least, I'm not killing the</p> <p>25 screen.</p>	<p style="text-align: right;">Page 36</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 (Recess taken 10:41 to 10:50 a.m.)</p> <p>3 (Deposition Exhibit 3, 1/14/21</p> <p>4 deposition transcript of Robert Lande, was marked</p> <p>5 for identification.)</p> <p>6 THE VIDEOGRAPHER: We are now on the</p> <p>7 record at 10:50 a.m.</p> <p>8 Q. Okay. So you should now see, Mr.</p> <p>9 Barron, there is a document that's captioned, "In</p> <p>10 Re: Global Brokerage Inc., securities</p> <p>11 litigation," that's this case and, "remote</p> <p>12 deposition via Zoom of Robert Lande, Thursday,</p> <p>13 January 14, 2021."</p> <p>14 Do you see that?</p> <p>15 A. Yeah.</p> <p>16 Q. Do you recall reviewing this</p> <p>17 transcript as part of your report?</p> <p>18 A. I do.</p> <p>19 Q. Okay. And did you read like this</p> <p>20 like cover to cover, skim it, like, what do you</p> <p>21 recall?</p> <p>22 A. I would have read it cover to cover.</p> <p>23 Q. Okay. Now, based on your review of</p> <p>24 Mr. Lande's deposition transcript, you're aware</p> <p>25 that he was the CFO of FXCM during the class</p>
<p style="text-align: right;">Page 35</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. No.</p> <p>3 MS. COREY: Yes, I apologize. It's</p> <p>4 taking some time to load.</p> <p>5 MR. LaPOINTE: Mr. Barron, you can</p> <p>6 force a refresh of your screen by pressing</p> <p>7 control plus F5 on your keyboard.</p> <p>8 THE WITNESS: Control and what's the</p> <p>9 other one?</p> <p>10 MR. LaPOINTE: F5.</p> <p>11 THE WITNESS: Okay.</p> <p>12 MR. LaPOINTE: There should also be a</p> <p>13 little symbol that you can click on in your</p> <p>14 browser. It will look like a little spinning</p> <p>15 wheel arrow, basically, that refreshes.</p> <p>16 Q. Okay. I've refreshed the screen and</p> <p>17 it's still not showing up when I press the folder</p> <p>18 marked exhibits.</p> <p>19 MS. COREY: Can we go off the record</p> <p>20 for a moment?</p> <p>21 MR. DAHAN: Sure.</p> <p>22 MR. LaPOINTE: No problem.</p> <p>23 THE VIDEOGRAPHER: Stand by.</p> <p>24 We are now off the record at</p> <p>25 10:41 a.m.</p>	<p style="text-align: right;">Page 37</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 period, correct?</p> <p>3 A. That's right.</p> <p>4 Q. And he was a COO of FXCM when FXCM</p> <p>5 went public in December of 2010, correct?</p> <p>6 MR. LaPOINTE: Object to the form of</p> <p>7 the question.</p> <p>8 You can answer.</p> <p>9 A. He was -- he was the CFO, I believe,</p> <p>10 starting in 2010. I don't recall the exact date.</p> <p>11 Q. Okay. When you were an audit partner</p> <p>12 with Deloitte, would the CFO of an audit client</p> <p>13 be one of your primary points of contact?</p> <p>14 A. Typically, that would be the case,</p> <p>15 yes.</p> <p>16 Q. Okay. Now, based on your review of</p> <p>17 Mr. Lande's deposition transcript, you know that</p> <p>18 he testified that he had formed an understanding</p> <p>19 of the applicable guidance on related party</p> <p>20 transactions under US GAAP?</p> <p>21 A. I don't recall that specific part of</p> <p>22 the testimony.</p> <p>23 Q. Okay. Why don't we go to Page 82 of</p> <p>24 his transcript. So not Page 82 of the -- of this</p> <p>25 PDF, but 82 of the deposition transcript.</p>

10 (Pages 34 - 37)

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 you see that in any of the testimony of Mr.
 3 Dittami?
 4 A. I don't recall -- I don't recall the
 5 document or testimony. I know that when FXCM
 6 actually created Effex, Dittami was put in as the
 7 CEO.
 8 Q. Did you see that -- did you see
 9 anyone testify that FXCM "created Effex"?
 10 A. Yes.
 11 Q. Who testified to that? Excuse me.
 12 Who testified that FXCM "created
 13 Effex"? Did Mr. Dittami testify to that?
 14 A. I don't recall if it's testimony or
 15 documents. It's in my report.
 16 Q. Yeah, I know. We'll get to your
 17 report in a second, trust me.
 18 Let me ask you.
 19 Do you know if Mr. Dittami was asked
 20 at his deposition about whether or not FXCM was
 21 -- absorbed losses of Effex?
 22 A. No, I don't recall that.
 23 Q. Do you recall the fact that he
 24 testified that FXCM did not absorb losses of
 25 Effex?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 MR. LaPOINTE: Objection, asked and
 3 answered.
 4 Q. Do you recall that, Mr. Barron?
 5 A. No, as I said just earlier, I don't
 6 recall that.
 7 Q. Alright. Now, Mr. Lande also
 8 testified that power is an element of a VIE
 9 analysis.
 10 Do you agree with that?
 11 A. Yes.
 12 Q. Right. In fact, that's in
 13 Paragraph 138 of your report as well, correct?
 14 A. I don't know the exact paragraph.
 15 But, yes, it's in my report I'm sure.
 16 Q. And are you aware that Mr. Lande
 17 testified that FXCM did not have power over
 18 Effex? Do you recall that testimony?
 19 A. I don't recall that exact testimony.
 20 But it sounds reasonable. But I don't recall
 21 that exact testimony.
 22 Q. Did FXCM have any equity voting
 23 rights in Effex?
 24 A. No. Their power --
 25 Q. Yes or no, did they or did they not?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. I'm sorry. Do you want to let me
 3 finish my answer?
 4 Q. Did they have equity voting rights in
 5 Effex, yes or no?
 6 A. No, they --
 7 MR. LaPOINTE: Objection, asked and
 8 answered.
 9 Q. Did FXCM have a management position
 10 in Effex?
 11 A. No.
 12 Q. Did FXCM have any Board
 13 representation on Effex?
 14 A. No, they did not.
 15 Q. Okay. Are you aware that you do not
 16 cite to Mr. Lande's deposition once in your
 17 entire report?
 18 MR. LaPOINTE: Object to the form of
 19 the question.
 20 You can answer.
 21 A. I -- excuse me. I'm not aware
 22 whether I did or didn't, honestly.
 23 Q. Are you aware that you don't quote
 24 any portion of Mr. Lande's deposition testimony
 25 in your report?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. Not at this point, no.
 3 Q. Now, you also state that you reviewed
 4 and considered in drafting your report the
 5 deposition transcript and exhibits of David
 6 Stollow?
 7 Do you recall that?
 8 A. I'm sorry, which -- oh, Stollow?
 9 Q. Yeah.
 10 A. Yes.
 11 Q. Alright. And he was an audit partner
 12 at E&Y, correct?
 13 A. That's correct.
 14 Q. He was a CPA, correct?
 15 A. He would have to be.
 16 MR. DAHAN: Okay. Let's introduce as
 17 Exhibit 4 -- and if we can't mark it, we can do
 18 it later -- the deposition transcript of
 19 Mr. Stollow in this case.
 20 (Deposition Exhibit 4, 1/25/21
 21 deposition transcript of David Stollow, CPA, was
 22 marked for identification.)
 23 A. Well, unfortunately, I just pulled up
 24 Lande. Let me go back.
 25 Oh, okay. It popped up to the top.

12 (Pages 42 - 45)

<p style="text-align: right;">Page 62</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 parentheses, "(B02.03) and October" -- and it's</p> <p>3 got "(B02.04) bank statements," and then it says,</p> <p>4 "W/M/D."</p> <p>5 Do you have an understanding what</p> <p>6 that -- isn't that without material difference,</p> <p>7 correct?</p> <p>8 A. Yes.</p> <p>9 Q. This means E&Y was saying that the</p> <p>10 Effex invoices agreed to the payments that were</p> <p>11 being made, correct?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. And then if you go to the next</p> <p>14 page, do you see that it lists amounts?</p> <p>15 A. I see amounts there.</p> <p>16 Q. For February 2011, March 2011</p> <p>17 invoice, April 2011 invoice you see and so forth?</p> <p>18 A. Yes, I do.</p> <p>19 Q. And you see the numbers range</p> <p>20 somewhere between 1 and \$2 million -- in the 1</p> <p>21 and \$2 million digits?</p> <p>22 A. Again, I'm looking at a line at the</p> <p>23 bottom. I don't know if that's total balance</p> <p>24 brought forward. It looks like a million 338,</p> <p>25 something like that.</p>	<p style="text-align: right;">Page 64</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 aware of this, all these accounts receivable</p> <p>3 amounts that were being paid by Effex in 2011,</p> <p>4 correct?</p> <p>5 A. Yes.</p> <p>6 Q. Okay. Now, are you aware that you do</p> <p>7 not cite or discuss this document anywhere in</p> <p>8 your report?</p> <p>9 A. I don't know if this is -- I do have</p> <p>10 -- I do cite some E&Y documents that list</p> <p>11 payments from Effex in my report. I don't know</p> <p>12 if this is the same one I cite or not. But I do</p> <p>13 have some E&Y work papers cited in my report as</p> <p>14 to payments from Effex.</p> <p>15 Q. Are you aware you do not cite to this</p> <p>16 document in your report?</p> <p>17 MR. LaPOINTE: Objection, asked and</p> <p>18 answered.</p> <p>19 Q. Either you're you aware or you're</p> <p>20 not? The record will reflect -- your report will</p> <p>21 reflect what it is.</p> <p>22 I'm asking if you were aware that, in</p> <p>23 fact, you do not cite to this document?</p> <p>24 A. Honestly, I don't know --</p> <p>25 MR. LaPOINTE: Objection to form.</p>
<p style="text-align: right;">Page 63</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. Okay. I'm not talking about that.</p> <p>3 I'm talking if you look -- scroll</p> <p>4 down to various amounts on this list --</p> <p>5 A. Yeah.</p> <p>6 Q. -- you see that invoices amounts were</p> <p>7 in the 1 to \$2 million ranges?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. And if you go to the next</p> <p>10 page, that's metadata.</p> <p>11 Do you know what that means?</p> <p>12 A. You know, I really don't.</p> <p>13 Q. Okay. Well, that's how you can tell</p> <p>14 where a document appeared and when it appeared in</p> <p>15 the file.</p> <p>16 And you see it says and, "from the</p> <p>17 custodian author recipient data August 2011"?</p> <p>18 A. (No response.)</p> <p>19 Q. Do you have an understanding that</p> <p>20 that means that this is a document that was in</p> <p>21 E&Y's audit files in 2011?</p> <p>22 A. Well, I mean, when I look at the work</p> <p>23 paper, it appears to me that this was part of</p> <p>24 their 2011 work papers.</p> <p>25 Q. Okay. So the point is they were</p>	<p style="text-align: right;">Page 65</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 A. I would have to look at the reference</p> <p>3 in my report to the E&Y documents that I did cite</p> <p>4 from to know whether this was one or not.</p> <p>5 Q. Okay. We'll move on. Your report</p> <p>6 will speak for itself.</p> <p>7 MR. DAHAN: Let's introduce another</p> <p>8 document. Let's do EY-GBI-WP 151.</p> <p>9 (Deposition Exhibit 8, 5/1/10</p> <p>10 Amendment to Services Agreement</p> <p>11 EY-GBI-WP-000000151 and metadata page with no</p> <p>12 Bates marked Confidential, was marked for</p> <p>13 identification.)</p> <p>14 A. I'm sorry. Are you pulling up</p> <p>15 another...</p> <p>16 Q. Yes, I'm telling -- yeah, you'll see</p> <p>17 now there is a new document that's EY-GBI-WP 151</p> <p>18 That's Exhibit 8 or it has an 8 next to it.</p> <p>19 A. Okay, hang on a sec.</p> <p>20 Okay, got it.</p> <p>21 Q. Alright. And you reviewed and</p> <p>22 considered this document, correct?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And if you go to the last page</p> <p>25 of this document, that's metadata again.</p>

17 (Pages 62 - 65)

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Are you aware that the metadata
 3 indicates that this document also was an in E&Y's
 4 2011 work paper files?
 5 A. Yes.
 6 Q. And this is an agreement for services
 7 between Effex and FXCM, correct?
 8 A. Yes.
 9 Q. Okay. And if you look at this -- now
 10 this was an amendment to the service agreement,
 11 correct?
 12 A. I know it was amended. I don't know
 13 whether this is the original or the amended one.
 14 Q. It says on top, "amendment to service
 15 agreement."
 16 Do you see that?
 17 A. Okay, right.
 18 Q. Okay. And in the second where --
 19 first whereas clause, "Effex and FXCM entered
 20 into a service agreement as of May 1st, 2010
 21 agreement."
 22 Do you see that?
 23 A. Yes.
 24 Q. And it says, "The parties wish to
 25 modify and amend that agreement," correct?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. Yes.
 3 Q. Okay. And they amend Section 3.1 the
 4 first sentence to read as follows, correct?
 5 A. Um.
 6 MR. LaPOINTE: Object to the form of
 7 the question.
 8 A. I'm sorry. I didn't mean to
 9 interrupt. I was looking for 3.1.
 10 Q. No, no.
 11 Do you see that it says in No. 1,
 12 "The first sentence of Section 3.1 is deleted and
 13 shall be replaced with the following"? Do you
 14 see that?
 15 A. Yes.
 16 Q. And they're referring to Section 3.1
 17 that was Section 3.1 in the original agreement,
 18 correct?
 19 A. Yes.
 20 Q. Okay. And do you recall that the
 21 original 3.1 had -- that fee amount would be \$21
 22 per million?
 23 A. Yes, that's my recollection.
 24 Q. Now, they're changing it to \$16 per
 25 million, correct?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. Yes.
 3 Q. And it says, "FXCM shall receive from
 4 Effex a fee equal to \$16 per 1 million units of
 5 base currency for the aggregated volume of
 6 transactions executed via the trading system
 7 fees."
 8 Do you see that?
 9 A. Yes.
 10 Q. Okay. So the fees that FXCM was to
 11 agree were determined by the volume of
 12 transactions on the trading system, correct?
 13 A. That's right.
 14 Q. Okay. Do you see anywhere in this
 15 document that it says that the fee amount would
 16 be based on how much profit or loss Effex made on
 17 a particular trade?
 18 A. This document doesn't refer to it,
 19 but I'm, certainly, aware of other information
 20 that would indicate this was considered in the
 21 ballpark so-to-speak of the 70/30.
 22 Q. I didn't ask you that. I asked you a
 23 very simple.
 24 Does it say in here -- okay, we'll
 25 start with that.

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Does it say in here that Effex will
 3 pay 70 percent of the profits that it makes on
 4 the trade? Does it say that?
 5 A. No.
 6 Q. Okay. Does it say that in the
 7 service agreement that Effex will pay 70 percent
 8 of its profits it makes on the trade? Does it
 9 say that in the service agreement, yes or no?
 10 A. No.
 11 Q. Okay. Does it say in this agreement
 12 that FXCM will be responsible for losses that
 13 Effex incurs on a trade?
 14 A. No.
 15 Q. Does it say that in the service
 16 agreement?
 17 A. No.
 18 Q. Let's look at another document,
 19 EY-GBI-WP 1808.
 20 A. 1808? Okay.
 21 Q. It will have a nine next to it,
 22 sorry, yes.
 23 A. I have it.
 24 Q. Okay.
 25 (Deposition Exhibit 9, 3/19/12)

18 (Pages 66 - 69)

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Invoice #02-2012 and e-mail string
 3 EY-GBI-WP-00001808 to EY-GBI-WP-00001810 marked
 4 Confidential, was marked for identification.)
 5 Q. Now, you reviewed this document in
 6 making your report, correct?
 7 A. Yes, I've seen this document.
 8 Q. Okay. Now, this document, for the
 9 record, it's a FXCM document that says -- it's an
 10 invoice to Effex Capital. March 19, 2012 is the
 11 date of the invoice.
 12 Do you see that?
 13 A. Yes.
 14 Q. And it's an invoice for
 15 February 2012?
 16 A. Yes.
 17 Q. Okay. And the middle it has a fee
 18 per million and it says \$16, correct?
 19 A. Yes.
 20 Q. And it's got a volume of 122,214.
 21 Do you see that?
 22 A. Yes.
 23 Q. Okay. And then it has an amount owed
 24 of 1,955,424?
 25 A. Yes.

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Q. And you would agree that that is what
 3 122,214 times 16 equals?
 4 A. I mean it looks like that's how they
 5 calculate it. I haven't done the math.
 6 Q. Okay. Now, on the top, it has a note
 7 by E&Y, right? "E&Y obtained the e-mail invoice
 8 from Baruch Greenbaum, Senior Accountant, and
 9 agreed the volume and amount invoiced to the
 10 Effex monthly P&L schedule" -- and it's got
 11 brackets -- "[B20.01]," and it's got "W/O/E,"
 12 right?
 13 MR. LaPOINTE: Object to the form of
 14 the question.
 15 Q. That means without event, correct?
 16 MR. LaPOINTE: Object to the form of
 17 the question.
 18 Q. Do you have an understanding of
 19 "W/O/E" stands for from your experience?
 20 A. I'm sorry. Could you ask that again?
 21 Q. Yeah. Do you see where it says
 22 "W/O/E" at the end of that sentence?
 23 A. You know, honestly, when I'm looking
 24 at the top of the screen, I see "B20.01."
 25 Q. What does it say after that?

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 A. "W/O/E," without exception.
 3 Q. Right. So that's what I asked you if
 4 you have an understanding --
 5 A. No, no, sir, I'm -- honestly, I
 6 apologize. I'm having a little difficulty
 7 hearing you, so I wanted to ask you to repeat
 8 that.
 9 Q. Yeah, I just wanted to know if you
 10 had an understanding of what that stood for it
 11 then.
 12 A. I do have an understanding. I do.
 13 Q. And, again, this is a document that
 14 was produced by E&Y and was in their audit files,
 15 correct?
 16 A. Yes.
 17 Q. Okay. Do you see anywhere on this
 18 invoice where it says -- where FXCM billed Effex
 19 asking it to pay 70 percent of the profits that
 20 Effex made on a trade?
 21 A. No.
 22 Q. I'm sorry. I didn't hear your
 23 answer.
 24 A. I answered, "no." Is that what you,
 25 --

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Q. Okay. I didn't hear it, so thank
 3 you.
 4 Let's look at another document.
 5 MR. DAHAN: Let's look at EY-GBI-WP
 6 2178.
 7 (Deposition Exhibit 10, 8/13/13
 8 Invoice #06-2013 and e-mail string
 9 EY-GBI-WP-00002178 to EY-GBI-WP-00002180 marked
 10 Confidential, was marked for identification.)
 11 Q. It will have a ten next to it.
 12 A. Exhibit or Item 10?
 13 Q. Yeah.
 14 A. I've got a David Stollow CPA 21 PDF.
 15 Q. Yeah.
 16 A. Okay.
 17 Q. Are you aware that this was
 18 Exhibit 21, actually, to Mr. Stollow's
 19 deposition?
 20 A. Not without going back to look at it.
 21 But I'll take that on faith.
 22 Q. Okay.
 23 A. Okay.
 24 Q. And this document also given the
 25 Bates number on the bottom right evidences it was

<p style="text-align: right;">Page 74</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 a document produced by E&Y and was in their work</p> <p>3 paper files, correct?</p> <p>4 A. That's correct.</p> <p>5 Q. Okay. If you go to the top, there is</p> <p>6 a note by E&Y?</p> <p>7 Do you see that note top of Page 1?</p> <p>8 A. I see the note, E&Y.</p> <p>9 Q. Yeah. It says, "EY re-performed</p> <p>10 internal audits testing of by inspecting the</p> <p>11 invoice."</p> <p>12 Do you see that?</p> <p>13 A. Yes, they inspected the invoice. I</p> <p>14 see that.</p> <p>15 Q. "We re-performed the procedures of</p> <p>16 the reviewer by agreeing the volumes from FXO to</p> <p>17 the invoiced amount and journal entries."</p> <p>18 Do you see that?</p> <p>19 A. Yeah, they agreed volumes to the</p> <p>20 invoiced amount. I see that.</p> <p>21 Q. Okay. And this is dated August 13,</p> <p>22 2013, correct?</p> <p>23 A. That's right.</p> <p>24 Q. Okay. Do you see on the top of</p> <p>25 Page 2 of this document another note by E&Y?</p>	<p style="text-align: right;">Page 76</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 -- as I said, I cited from other E&Y work papers</p> <p>3 regarding payments.</p> <p>4 Q. Okay. Now, you're aware from the</p> <p>5 materials you reviewed that in 2017 after the</p> <p>6 announcement of FXCM settlement with the CFTC and</p> <p>7 NFA relating to the Effex relationship, E&Y</p> <p>8 conducted a further analysis of the Effex</p> <p>9 relationship and whether it required any</p> <p>10 restatements of FXCM's prior issued financial</p> <p>11 statements?</p> <p>12 Do you recall that --</p> <p>13 MR. LaPOINTE: Object to the form of</p> <p>14 the question.</p> <p>15 Q. -- that process by E&Y?</p> <p>16 MR. LaPOINTE: Object to the form of</p> <p>17 the question.</p> <p>18 You can answer.</p> <p>19 A. Are you referring to something in</p> <p>20 their work papers in 2014?</p> <p>21 Q. No. Listen to my question, sir.</p> <p>22 Are you aware in 2017, okay, after</p> <p>23 the announcement of FXCM's settlement with the</p> <p>24 CFTC and NFA relating to the Effex relationship</p> <p>25 that E&Y conducted a further analysis of the</p>
<p style="text-align: right;">Page 75</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 A. Yes.</p> <p>3 Q. And here E&Y says, "E&Y re-performed</p> <p>4 internal audits testing of the following e-mail</p> <p>5 verifying the volume invoiced by Effex from</p> <p>6 Baruch Greenbaum, Senior Accountant. This e-mail</p> <p>7 is from Alex Kochel FXM IT."</p> <p>8 You see that?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. And then it says, the end of</p> <p>11 the last sentence, "We agreed the volumes to the</p> <p>12 invoice above," it's got a "1" in brackets and</p> <p>13 again without exception, correct?</p> <p>14 A. Yeah, I'm just scrolling through the</p> <p>15 document.</p> <p>16 Q. Well, I'm asking you what it says in</p> <p>17 the note.</p> <p>18 A. Yes, I can see what it says with the</p> <p>19 note, yes.</p> <p>20 Q. Okay. Now, are you aware that,</p> <p>21 again, you do not cite either of the two</p> <p>22 documents -- invoices we just looked at and that</p> <p>23 had notes by E&Y anywhere in your report, are you</p> <p>24 aware of that?</p> <p>25 A. I don't recall citing from this. I</p>	<p style="text-align: right;">Page 77</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Effex relationship and whether it required any</p> <p>3 restatement of FXCM's prior issued financial</p> <p>4 statements? Are you aware of that subsequent</p> <p>5 analysis by E&Y?</p> <p>6 MR. LaPOINTE: Object to the form of</p> <p>7 the question.</p> <p>8 A. I've read memos from March 2017. I</p> <p>9 don't recall without re-reading whether they talk</p> <p>10 about an analysis of the relationship.</p> <p>11 Q. Okay. So we'll go and look at those</p> <p>12 memos and refresh your memory.</p> <p>13 A. Okay.</p> <p>14 MR. DAHAN: Let's look at EY-GBI-WP</p> <p>15 4317.</p> <p>16 (Deposition Exhibit 11, 2/21/17</p> <p>17 Internal Memorandum to FXCM Inc., and Effex</p> <p>18 Capital LLC Audit Files from Fraud Investigation</p> <p>19 & Dispute Services and attachments</p> <p>20 EY-GBI-WP-00004317 to EY-GBI-WP-00004329 marked</p> <p>21 Confidential, was marked for identification.)</p> <p>22 Q. It will have an 11 next to it and it</p> <p>23 will say "Stollow 13."</p> <p>24 A. I do. I see it.</p> <p>25 MS. COREY: And, just for the record,</p>

20 (Pages 74 - 77)

<p style="text-align: right;">Page 78</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 this is Exhibit 11.</p> <p>3 MR. DAHAN: Yes, which was also</p> <p>4 Exhibit 13 to Mr. Stollow's deposition.</p> <p>5 Q. Now, can you tell from this Bates</p> <p>6 number that this was an E&Y-produced document</p> <p>7 from their work papers, correct?</p> <p>8 A. Their work papers -- I guess it would</p> <p>9 have been in 2017 work papers.</p> <p>10 Q. Yes, I understand that.</p> <p>11 But that these were -- this document</p> <p>12 came from E&Y, correct?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. And, in fact, the heading of</p> <p>15 this document shows that it's an internal memo of</p> <p>16 E&Y, correct?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. And you reviewed this</p> <p>19 document, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And this says in the caption area,</p> <p>22 "to: FXCM Inc., and Forex Capital Markets LLC</p> <p>23 audit files," "from: Fraud investigation and</p> <p>24 Dispute Services Practice," right, that's E&Y</p> <p>25 Fraud Investigation and Dispute Services</p>	<p style="text-align: right;">Page 80</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. It doesn't say the word "to" before</p> <p>3 that?</p> <p>4 A. Oh, yeah.</p> <p>5 Q. Okay. And then it says who it's</p> <p>6 from.</p> <p>7 Do you see that, sir?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. I want to make sure we're all</p> <p>10 now squared away.</p> <p>11 A. Yes.</p> <p>12 Q. And it says, "from: The Fraud</p> <p>13 Investigation and Dispute Services Practice" of</p> <p>14 E&Y, correct?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. And it's dated February 21,</p> <p>17 2017, correct?</p> <p>18 A. It is.</p> <p>19 Q. That's before March 2017, correct?</p> <p>20 Is February 21st, 2017 before March 2017?</p> <p>21 A. I don't see the March -- I see is the</p> <p>22 February 21st.</p> <p>23 Q. Sir, in a calendar, does February</p> <p>24 come before March?</p> <p>25 A. Best I recall, yes.</p>
<p style="text-align: right;">Page 79</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Practice, correct?</p> <p>3 A. Well, you said two and I was looking</p> <p>4 for the two. I see a Roman Numeral II.</p> <p>5 Q. If you look at the top of the</p> <p>6 document, the word, T-O, "to," who is this memo</p> <p>7 to? Do you see that?</p> <p>8 A. No. Please tell me what page you're</p> <p>9 on.</p> <p>10 Q. The top of the first page, sir.</p> <p>11 A. Okay.</p> <p>12 Q. You see the word T-O?</p> <p>13 A. Is this in the background section?</p> <p>14 Where is this?</p> <p>15 Q. Okay, sir. You see on the very very</p> <p>16 top of the document it says, "E&Y building a</p> <p>17 better working world"? Do you see that, sir.</p> <p>18 A. Yes, I do.</p> <p>19 Q. Okay. And then it says underneath,</p> <p>20 "internal memorandum."</p> <p>21 Do you see that, sir?</p> <p>22 A. Yes.</p> <p>23 Q. What does it say under that?</p> <p>24 A. It says, "FXCM Inc., and Forex</p> <p>25 Capital Markets LLC audit files."</p>	<p style="text-align: right;">Page 81</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. Okay. Very good. I just want to</p> <p>3 make sure we only got a CPA to know that.</p> <p>4 Okay. It says, "RE."</p> <p>5 Do you see the "RE"?</p> <p>6 A. Yes.</p> <p>7 Q. And it says, "what's this regarding?</p> <p>8 Investigation of FXCM's settlements with US</p> <p>9 regulators."</p> <p>10 Do you recall that the settlement</p> <p>11 occurred about February 6th of 2017, a few weeks</p> <p>12 before? This.</p> <p>13 A. I don't recall the date of the</p> <p>14 settlement, no.</p> <p>15 Q. Okay. And then they're CC Bradley</p> <p>16 Massam, Partner of FIDS?</p> <p>17 Do you see that?</p> <p>18 A. Yes, I do.</p> <p>19 Q. And then it says, "Sufficiency memo</p> <p>20 FXCM Inc., settlements with US regulators."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. Do you know what a</p> <p>24 "sufficiency memo" is, sir?</p> <p>25 A. I've never used that term, never seen</p>

21 (Pages 78 - 81)

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 to Page 4.
 3 You see on top it says, "Page 4"?
 4 A. Yeah.
 5 Q. And then there's italics that says
 6 "objectivity overall adequacy of an investigative
 7 team," there is an italics for the word
 8 "conclusions."
 9 A. I do. I see it now, yes.
 10 Q. Oh, okay.
 11 And in the -- first of all, in the
 12 "overall adequacy of the investigative team," E&Y
 13 states in this memo, "We have no concerns
 14 regarding the competence or objectivity of the
 15 Weil work."
 16 Do you see that?
 17 A. Down in the "Conclusion" section now?
 18 Q. Sir, this right above "conclusions."
 19 A. Okay.
 20 Q. There is a different italic word.
 21 A. Right.
 22 Q. It says, "overall adequacy of the
 23 investigative team."
 24 Do you see that, sir?
 25 A. Yes, I do.

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Q. Read me what it says.
 3 A. It says, "We have no concerns
 4 regarding the competence or objectivity of the
 5 Weil work."
 6 Q. And that was E&Y's conclusion in this
 7 memo, correct?
 8 A. That's right.
 9 Q. Okay. Then it says, "Conclusions."
 10 Do you see that?
 11 A. Yes.
 12 Q. And it says, "Based on the work
 13 performed and experience of FIDS, we believe the
 14 work performed by Weil was sufficient such that
 15 E&Y may rely on it in connection with the 2016
 16 audit."
 17 Do you see that?
 18 A. Yes.
 19 Q. It goes on to say, "Weil's procedures
 20 were extensive as would be required to understand
 21 the history of Effex and its connection to the
 22 companies in order to represent those companies
 23 in response to the claims asserted by regulators.
 24 The information reviewed and the criteria
 25 developed to focus that review appear reasonable

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 in the context of the claims asserted by the
 3 regulators."
 4 Do you see that?
 5 A. Yes.
 6 Q. Are you aware that you do not cite in
 7 your report this sufficiency memo anywhere in
 8 your report?
 9 A. I'm sure I would not have.
 10 Q. Okay. I bet you wouldn't.
 11 Okay. In fact, you don't discuss any
 12 of the work of Weil Gotshal and any of its
 13 investigative work in your report, do you?
 14 A. I don't believe Weil Gotshal was
 15 focused on the issues that I was focused on.
 16 Q. Just answer my question. And your
 17 lawyer can ask you any what4ever questions he
 18 wants to ask you.
 19 You don't discuss the Weil Gotshal
 20 investigation anywhere in your report, correct?
 21 A. No, I don't.
 22 Q. Right. You don't even discuss E&Y's
 23 assessment of that investigation anywhere in your
 24 report, do you?
 25 A. No, I don't.

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 Q. Right.
 3 Alright. Let's look at another
 4 document. Let's look at what's EY-GBI-WP 4260
 5 and, I believe, that also was an exhibit to Mr.
 6 Stollow's deposition.
 7 (Deposition Exhibit 12, 3/1/17
 8 memorandum to FXCM Inc., and Forex Capital
 9 Markets LLC Audit Files from Ankit Varia and
 10 David Stollow EY-GBI-WP-00004260 to
 11 EY-GBI-WP-00004271 marked Confidential, was
 12 marked for identification.)
 13 A. Let's see.
 14 Q. That will come up. There will be a
 15 12 --
 16 A. Okay, I've got it.
 17 Q. And then it will say, "David Stollow
 18 CPA 11."
 19 A. Okay.
 20 MR. DAHAN: So, just so the record is
 21 clear, since we're not, you know, just a little
 22 confused given the Bates numbers, this document
 23 is EY-GBI-WP 4260. It will be in this case
 24 Exhibit 12 and it happens to have also been
 25 Exhibit 11 to the Stollow deposition.

<p style="text-align: right;">Page 94</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. Now, did you review this document in</p> <p>3 connection with your report?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. Now, this document is dated</p> <p>6 March 1, 2017, correct?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And this document also is an</p> <p>9 E&Y memo, correct?</p> <p>10 A. Yes.</p> <p>11 Q. It is a document that was produced by</p> <p>12 E&Y as part of their work papers, correct?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. And now so there's no</p> <p>15 confusion, all the way at the top you see the</p> <p>16 word that says, T-O, "to"?</p> <p>17 A. I do.</p> <p>18 Q. Okay. And that's, again, a document</p> <p>19 that E&Y -- it's to the FXCM audit files,</p> <p>20 correct?</p> <p>21 A. Yes.</p> <p>22 Q. And it's from Ankit Varia, a Senior</p> <p>23 Manager, and David Stollow, Partner.</p> <p>24 Do you see that?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 96</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 A. If he was a second partner viewed or</p> <p>3 signed off on the engagement?</p> <p>4 Q. No. That the Engagement Quality</p> <p>5 Reviewer that's identified in the CC line --</p> <p>6 A. Right.</p> <p>7 Q. -- is a second partner that signs off</p> <p>8 on the engagement as part of a quality control</p> <p>9 process, are you aware of that from his</p> <p>10 testimony?</p> <p>11 A. I don't recall that, specifically,</p> <p>12 but that would be typical.</p> <p>13 Q. Okay. And do you also understand</p> <p>14 from the testimony of Mr. Stollow that the FSO</p> <p>15 Region Professional Practice Partner is brought</p> <p>16 on from time to time and was brought on in this</p> <p>17 instance due to the CFTC and NFA's allegations?</p> <p>18 Are you aware of that from his testimony?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And in this memo, there is a</p> <p>21 section "Background" and then it discusses</p> <p>22 "FXCM's company and business," and it then</p> <p>23 discusses "relationship with Effex."</p> <p>24 Do you see that?</p> <p>25 A. Yes, I see that sentence.</p>
<p style="text-align: right;">Page 95</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. Okay. And then they're CC'ing Chris</p> <p>3 Kalyvas, Engagement Quality Reviewer, and then</p> <p>4 Robert Schirling, the CFO Region Professional</p> <p>5 Practice Partner.</p> <p>6 Do you see that?</p> <p>7 A. I'm sorry. What paragraph are you</p> <p>8 in?</p> <p>9 Q. No paragraph, sir. I am still in the</p> <p>10 "to," "date," "from," "CC."</p> <p>11 A. Oh, okay, sure.</p> <p>12 Q. Okay. Now, in your review of Mr.</p> <p>13 Stollow's transcript that, apparently, you read</p> <p>14 cover to cover, right, you're aware that the</p> <p>15 Engagement Quality Reviewer, right, is a second</p> <p>16 partner that signs off on the engagement as part</p> <p>17 of a quality control process? Are you aware of</p> <p>18 that?</p> <p>19 MR. LaPOINTE: Object to the form of</p> <p>20 the question.</p> <p>21 You may answer.</p> <p>22 A. Well, that would be the typical role.</p> <p>23 Q. Okay. Are you aware that David</p> <p>24 Stollow, in fact, testified to that fact at his</p> <p>25 deposition?</p>	<p style="text-align: right;">Page 97</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 Q. And then is at the bottom of Page 2,</p> <p>3 there is a section called, "CFTC and NFA</p> <p>4 matters."</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. And it discusses the</p> <p>8 settlement, correct?</p> <p>9 A. So you're saying, does it discuss the</p> <p>10 settlement?</p> <p>11 Q. Yes, sir.</p> <p>12 A. Okay. I'm just reading through it.</p> <p>13 Yes, I see a discussion of</p> <p>14 settlement.</p> <p>15 Q. Okay. And, in fact, it attaches --</p> <p>16 if you go to the bottom of Page 4, it says,</p> <p>17 "Please find the CFTC complaint and settlement</p> <p>18 and Attachment A and the NFA complaint, the</p> <p>19 settlement and attachment B," right?</p> <p>20 A. Yes.</p> <p>21 Q. And then it discusses "external legal</p> <p>22 Counsel," right?</p> <p>23 A. Yes.</p> <p>24 Q. And then it says on the top of</p> <p>25 Page 5, "Purpose of this Memorandum."</p>

25 (Pages 94 - 97)

<p style="text-align: right;">Page 114</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 reference to the option agreement? Are you aware</p> <p>3 of that?</p> <p>4 MR. LaPOINTE: Object to the form of</p> <p>5 the question.</p> <p>6 You can answer.</p> <p>7 A. I have to go back and read that and</p> <p>8 see to see if it does or doesn't.</p> <p>9 Q. Okay, sir.</p> <p>10 Now, let's go to the next paragraph.</p> <p>11 It says, "Based on the above considerations, we</p> <p>12 believe that the previously issued financial</p> <p>13 statements for the issuer in Forex continue to be</p> <p>14 appropriate and in accordance with US GAAP."</p> <p>15 You see that, sir?</p> <p>16 A. Well, I'm reading assessing the</p> <p>17 effect on our audit considerations --</p> <p>18 Q. Sir -- sir, are you having difficulty</p> <p>19 hearing me? I asked you a question.</p> <p>20 A. Yes, I am having difficulty.</p> <p>21 Q. Okay. So here's my question to you,</p> <p>22 sir.</p> <p>23 Top of Page 9, second full paragraph.</p> <p>24 A. Okay.</p> <p>25 Q. It says, "Based on the above</p>	<p style="text-align: right;">Page 116</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 me.</p> <p>3 Q. Alright. Let's -- we'll make it</p> <p>4 easier.</p> <p>5 MR. DAHAN: Why don't we introduce</p> <p>6 the complaint in this case, the Third Amended</p> <p>7 Complaint. Let's just load that up.</p> <p>8 (Deposition Exhibit 13, Third Amended</p> <p>9 Consolidated Securities Class Action Complaint,</p> <p>10 was marked for identification.)</p> <p>11 Q. So it will have a 13 next to it. It</p> <p>12 says, "Third Amended Complaint."</p> <p>13 A. Well, let's see. So far I don't see</p> <p>14 a 13. Let me push the button again.</p> <p>15 Q. Okay. Give it a second.</p> <p>16 A. Okay. I've got it open.</p> <p>17 Q. Okay. Now, you reviewed this as part</p> <p>18 of your work, correct?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And you're aware that</p> <p>21 Plaintiffs are alleging that FXCM's financial</p> <p>22 statements during the class period were false and</p> <p>23 misleading, correct?</p> <p>24 A. Yes.</p> <p>25 Q. Okay. And if you go to Paragraph 1</p>
<p style="text-align: right;">Page 115</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 considerations, we believe that the previously</p> <p>3 issued financial statements for the issuer and</p> <p>4 Forex continue to be appropriate and are in</p> <p>5 accordance with US GAAP."</p> <p>6 Did I read that correctly?</p> <p>7 A. Yeah, based on the above</p> <p>8 considerations that they outline, those three or</p> <p>9 four bullets, yes.</p> <p>10 Q. Oh, really, okay.</p> <p>11 And that's E&Y's conclusions,</p> <p>12 correct?</p> <p>13 A. That's what they say, yes.</p> <p>14 Q. Yes. And you do not cite or discuss</p> <p>15 this memo anywhere in your report, do you, sir?</p> <p>16 A. No, I don't.</p> <p>17 Q. Right.</p> <p>18 Do you have an understanding of what</p> <p>19 the class period is in this case or the proposed</p> <p>20 class period?</p> <p>21 A. I'm sorry. Can you repeat that?</p> <p>22 Q. Yeah, sure.</p> <p>23 Do you have an understanding of what</p> <p>24 the class period is in this case?</p> <p>25 A. I don't have those dates in front of</p>	<p style="text-align: right;">Page 117</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 of the complaint on Page 1, you'll see it has</p> <p>3 dates in there. It says, "From March 15, 2012 to</p> <p>4 February 6th, 2017, both dates inclusive," and it</p> <p>5 identifies that as the class period.</p> <p>6 Do you see that, sir?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. Are you aware that Plaintiffs</p> <p>9 allege that the -- are you aware that the first</p> <p>10 alleged misleading financial statement is for the</p> <p>11 public statement that was released on March 15,</p> <p>12 2012?</p> <p>13 A. Yes.</p> <p>14 Q. And that was in relation to FXCM's</p> <p>15 fiscal 2011, right?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. And are you aware that your</p> <p>18 opinion encompasses reporting by FXCM in its</p> <p>19 financial statements for December 31, 2010 before</p> <p>20 the class period?</p> <p>21 A. Yeah, I -- my coverage of the years</p> <p>22 that are relevant to Effex.</p> <p>23 Q. I didn't ask that.</p> <p>24 I said, are you aware that you are</p> <p>25 identifying in your report alleged false</p>

30 (Pages 114 - 117)


<p style="text-align: right;">Page 118</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 financial statements that were done before the</p> <p>3 class period? That's all, yes or no?</p> <p>4 A. Yes.</p> <p>5 MR. LaPOINTE: Objection to form of</p> <p>6 the question.</p> <p>7 Q. Now, if you go to your report, which</p> <p>8 I think was Exhibit 1.</p> <p>9 A. Okay.</p> <p>10 Q. Okay. You say on Paragraph 10 -- in</p> <p>11 Paragraph 10, if you go to Paragraph 10 of your</p> <p>12 report.</p> <p>13 A. Let me get there; okay.</p> <p>14 Q. You say in the second sentence, "The</p> <p>15 failure to make the following disclosures caused</p> <p>16 FXCM's consolidated financial statements to be</p> <p>17 materially misstated beginning with the year</p> <p>18 ended December 31st, 2010" -- which we</p> <p>19 acknowledge is before the class period, correct?</p> <p>20 A. Well --</p> <p>21 Q. Is it before the class period, yes or</p> <p>22 no, sir?</p> <p>23 MR. LaPOINTE: Object to the form of</p> <p>24 the question.</p> <p>25 You can answer.</p>	<p style="text-align: right;">Page 120</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 allege that in the complaint, yes or no?</p> <p>3 MR. LaPOINTE: Object to the form of</p> <p>4 the question.</p> <p>5 A. I don't use the term "false." That's</p> <p>6 not something that accountants would use.</p> <p>7 Q. Okay, misstated.</p> <p>8 Are they alleging in this case in</p> <p>9 their complaint anywhere that the financial</p> <p>10 statements of FXCM issued for 2000 -- for fiscal</p> <p>11 2010 were false -- or, sorry, were materially</p> <p>12 misstated, is that alleged anywhere in</p> <p>13 Plaintiffs's complaint, yes or no?</p> <p>14 MR. LaPOINTE: Objection to the form</p> <p>15 of the question. It calls for a legal</p> <p>16 conclusion. I think he's already answered the</p> <p>17 question, so asked and answered also.</p> <p>18 You can answer, if you understand the</p> <p>19 question.</p> <p>20 A. Well, we were just looking at the</p> <p>21 complaint and 2011 would have included the</p> <p>22 financial statements for the year ended 2010.</p> <p>23 Q. Okay, sir, no problem.</p> <p>24 Now, you say at the end of this</p> <p>25 sentence, "through the year ended December 31st,</p>
<p style="text-align: right;">Page 119</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 A. I really -- I think I need to</p> <p>3 clarify. The 2010 financial statements are</p> <p>4 included in the 2011 filings, so just to clarify</p> <p>5 that.</p> <p>6 Q. Sir, very simple, is the</p> <p>7 December 2011 -- sorry.</p> <p>8 Is the December 2011 -- sorry,</p> <p>9 December 31st, 2010 financial statement before</p> <p>10 the class period? Was it released before the</p> <p>11 class period, yes or no?</p> <p>12 MR. LaPOINTE: Object to the form of</p> <p>13 the question.</p> <p>14 Q. Do you know if Plaintiffs are</p> <p>15 challenging the financial statements -- are</p> <p>16 alleging in this case that the financial</p> <p>17 statements in 2010 were false? Do you know that?</p> <p>18 Do you know yes or no?</p> <p>19 A. Yes, the 2010 financials that were</p> <p>20 included in the 2011 10-K are false -- not false.</p> <p>21 They're materially misstated.</p> <p>22 Q. Okay. So you believe in the</p> <p>23 complaint that Plaintiffs allege in the</p> <p>24 December 2010 -- sorry, the December 31st, 2010</p> <p>25 financial statements were false? Do Plaintiffs</p>	<p style="text-align: right;">Page 121</p> <p>1 CONFIDENTIAL - JOHN E. BARRON, CPA</p> <p>2 2014," correct.</p> <p>3 A. Yes.</p> <p>4 Q. So you do not include in here for the</p> <p>5 year ending December 31st, 2015, are you?</p> <p>6 A. That's correct.</p> <p>7 Q. Or for December 31st, 2016, are you?</p> <p>8 A. No.</p> <p>9 Q. Okay. Or any financial statements</p> <p>10 for 2017, are you?</p> <p>11 A. No. I'm focused solely on the --</p> <p>12 Q. Okay.</p> <p>13 A. -- next relationship.</p> <p>14 Q. Alright. We touched on this earlier.</p> <p>15 So let's look at your report now. Let's look at</p> <p>16 Paragraph 1 of your report.</p> <p>17 A. I'm sorry, which paragraph?</p> <p>18 Q. Paragraph 1.</p> <p>19 A. I'm looking at Paragraph 1; okay.</p> <p>20 Q. Okay. You state that FXCM created</p> <p>21 Effex, correct?</p> <p>22 A. That's right. Well, wait -- I'm</p> <p>23 sorry, you're looking at Paragraph 1?</p> <p>24 Q. Yeah. You say, "This litigation</p> <p>25 relates to FXCM's creation of a separate legal</p>

31 (Pages 118 - 121)

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1 CONFIDENTIAL - JOHN E. BARRON, CPA
 2 THE VIDEOGRAPHER: Alright. So stand
 3 by. Stand by please.
 4 We are off the record at 2:34 p.m.
 5 And this concludes today's testimony given by
 6 John E. Barron.
 7 The total number of Media Units was
 8 three and will be retained by Veritext New York.
 9 (Time noted: 2:35 p.m.)
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 2 CERTIFICATE OF REPORTER
 3 I, SILVIA P. WAGE, a Certified Shorthand
 4 Reporter, Certified Realtime Reporter and Registered
 5 Reporter, hereby certify that the witness in the
 6 foregoing deposition was by me duly sworn to tell
 7 the truth, the whole truth, and nothing but the
 8 truth in the within-entitled cause; that said
 9 deposition was taken down in shorthand by me, a
 10 disinterested person, at the time and place
 11 therein stated, and that the testimony of the
 12 said witness was thereafter reduced to
 13 typewriting, by computer, under my direction and
 14 supervision; that before completion of the
 15 deposition, review of the transcript [X] was []
 16 was not requested. If requested, any changes
 17 made by the deponent (and provided to the reporter)
 18 during the period allowed are appended hereto.
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 20 I further certify that I am not of counsel
 21 or attorney for either or any of the parties to
 22 the said deposition, nor in any way interested in
 23 the same, and that I am not
 24 rel:  hereto.
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